

'FAST TRACK TO GROWTH'
EU Funding for the Midlands Rail Sector

26TH FEBRUARY 2014 ROUNDHOUSE, DERBY

REPORT TO DELEGATES

April 2014



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DERBY'S RAILWAYS



**East Midlands
Councils**

Contents

1. Background
2. Key issues from the presentations
3. Key issues from the table discussions
4. Delegate feedback
5. Next steps

Appendix 1: Event agenda

Appendix 2: Delegate list

Appendix 3: Rail sector innovation programmes

1. Background

1.1 East Midlands Councils (EMC), with support from Nottingham Trent University and Climate East Midlands, has been part-funded through ERDF technical assistance (PA3) to develop a 'Socio-Economic Framework' to inform the development of the 2014-2020 EU Structural Fund Programme. The Framework has two main objectives:

- To provide a strategic context within which LEPs across the East Midlands can develop and finalise local EU Investment Plans by January 2014; and
- To support the case made by LEPs to secure and retain proposed 'notional' allocations of EU funding for the period 2014-20.

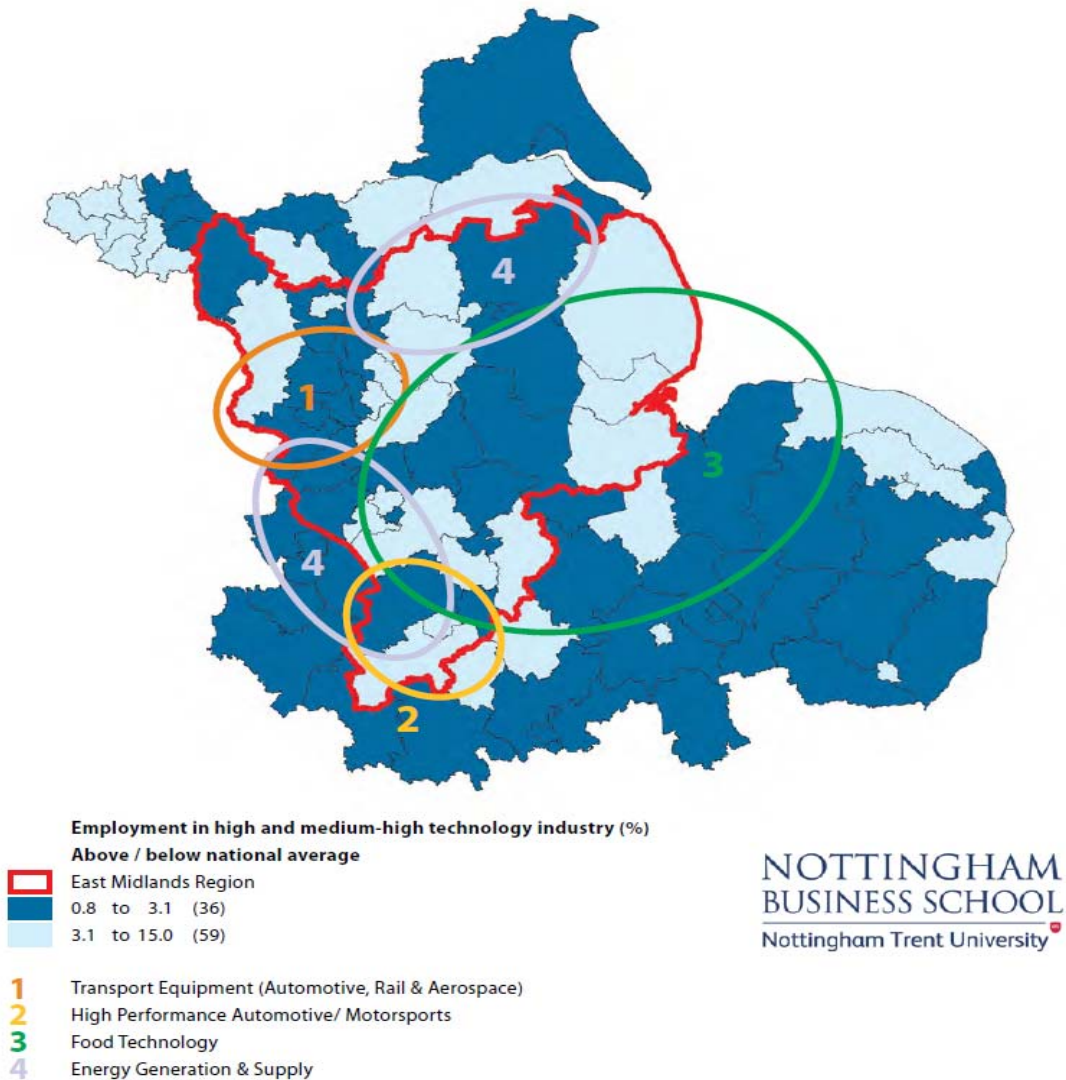
1.2 The framework, entitled [Meeting Need/Realising Opportunity](#) was published in December 2013. It identifies investment opportunities at both sub-regional and regional level that will help maximise the economic impact of European investment across the East Midlands. It aims to ensure that a future structural fund programme reflects the needs of the local economies of the East Midlands, with strong alignment between the activities of local partners and objectives of the programme.

1.3 The Framework identifies a number of opportunities for co-ordinated action across LEP boundaries which have the potential to deliver projects with strategic impact. Key opportunities include the following sectors or clusters (also highlighted in the diagram below):

- **Advanced Manufacturing (Transport Equipment):** There is a strong cluster of transport equipment companies across the south of Derbyshire, the north and west of Leicestershire and stretching across to the West Midlands, which also has clear links to the emerging low carbon sector. There is considerable potential for LEPs in these areas to develop joint initiatives that will further boost investment, stimulate local supply chains and ensure that specialist skills are developed and maintained.
- **Advanced Manufacturing (High Performance Engineering):** Northamptonshire is home to a world class motor sport and high performance engineering cluster, which also stretches to Milton Keynes in the south (where F1 champions Red Bull are based) and into Warwickshire in the west. There are opportunities for collaborative approaches between LEPs that will help to maintain and develop this specialised and highly competitive sector.
- **Energy Generation & Supply:** There is a strong and growing renewable energy sector based around the Humber, along with longstanding expertise in power generation and supply along the Trent Valley and in Lincoln, and in parts of the southern Derbyshire, Leicestershire and the West Midlands. There is considerable scope for LEPs to work together to support major investors, stimulate local supply chains and develop better linkages between the low carbon and traditional energy generating sectors.

- Food Technology:** Food production is a traditional strength for much of southern Lincolnshire, the Rutland and Melton areas and large parts of the east of England. Although not generally viewed as an innovative sector, there are strong links between food producers and both commercial and academic based research institutions which could be further enhanced by joint LEP action. There is also scope to develop synergies with the future Rural Development Programme.

Opportunities for Collaborative Activity



NOTTINGHAM
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1.4 In order to promote the development of strategic projects in these areas, a follow-on programme of seminars is being taken forward by EMC in partnership with relevant industry bodies. The first such event, entitled 'Fast Track for Growth', aimed at the midlands rail engineering sector, took place on the 26th February at the Roundhouse in Derby.

2. Key Issues from the presentations

- 2.1 Peter Richardson, Chair of the [D2N2 LEP](#), welcomed delegates to the event. Peter highlighted business-led nature of LEPs and the key role that the rail industry can play in realising D2N2's vision for economic growth and innovation.
- 2.2 The Event Chair, Colin Flack of the [Rail Alliance](#), highlighted the strength of the rail industry across the Midlands, its contribution to economic growth and the potential offered by planned investment in the rail sector by Government over the next 20 years. He went on to describe some of the projects the Rail Alliance have undertaken with EU funding to support rail based SMEs and emphasised the importance of collaborating to make use of future funding opportunities.
- 2.3 Peter Roberts, of [Derby & Derbyshire Rail Forum](#), reflected on the heritage of 175 years of the railways in Derby, and the economic potential offered by the cluster of world class rail companies across the city and county – highlighting the recent success of derby-based Bombardier in securing the Crossrail contract.
- 2.4 Rob Whyte from Alstom explained the recent establishment of the Rail Supply Group (RSG) and the diverse range of public sector support that is available to rail based SMEs (summarised in Appendix 3). Rob emphasised the Government's strong commitment to invest in the rail industry over the next 20 years through 'mission critical' projects such as mainline electrification, Crossrail, London Underground upgrades and HS2. The Government wants to ensure the UK rail industry is in the best position to benefit directly from these investments.

Rail Supply Group (RSG)

The RSG is a joint initiative between the Department for Transport, the Department for Business, Innovation and Skills and the rail industry, and is chaired by Terrance Watson of Alstom. It was established in November 2013 and is modelled on existing supply initiatives in the defence and automotive sectors.

The RSG's purpose is to:

“Strengthen the capability and competitiveness of the UK rail supply chain to win business from home and abroad”.

The RSG has 6 objectives:

- Develop a strategy to strengthen the capability & competitiveness of the UK rail supply chain to win business at home & abroad.
- Stimulate a culture of collaboration, innovation & change in the rail industry.
- Map the existing capability of the supply chain & assess future potential.
- Assess how to simplify the complex rail landscape & multiple funding sources.
- Align supply chain & government investment plans for the benefit of UK plc.
- Ensure close collaboration & co-ordination with the Rail Delivery Group, stakeholders & other associations.

For more information contact: rob.whyte@transport.alstom.com

3. Key issues from the table discussions

3.1 Each table was asked to address two questions:

- How can we maximise growth in the rail sector?
- How can we work together to make it happen?

3.2 The outcome of the table discussions are summarised below:

How can we maximise growth in the rail sector?	How can we work together to make it happen?
Attract more young people with the rights technical skills into the sector.	<ul style="list-style-type: none"> • Build better relationships between local schools, colleges, universities and trade bodies to stimulate interest in career opportunities. • Provide more and better apprenticeship opportunities for young people. • Promote the high-tech nature of HS2 and MML electrification projects to schools & colleges. • Make the most of the proposed High Speed Rail College -wherever it is located.
Increase the use of new technology by SMEs in the sector - including technology from other related sectors (e.g. automotive).	<ul style="list-style-type: none"> • Improve access by SMEs to investment capital and raise awareness of existing business advice from BIS 'family'. • Promote greater collaboration between SMEs and between the Rail Alliance and DDRF to increase understanding of innovation opportunities. • Build links between rail industry groupings and other relevant trade bodies.
Increase access for local SMEs to 'approved vendor' lists and the procurement processes of 'Tier 1/2' companies – and not just within the rail sector (also automotive, power generation).	<ul style="list-style-type: none"> • Promote greater awareness of and involvement in the work of the Rail Supply Group. • Develop mentoring relationships between Tier1/2 companies and supply chain SMEs to build trust. • Develop long term supply chain relationships based on quality rather than just cost.
Increase the understanding and use by the sector of existing government support for SMEs.	<ul style="list-style-type: none"> • Develop a coherent LEP offer for the rail sector across the midlands - and 'hide the wiring'. • Simplify the BIS offer to SMEs in the rail sector and promote through LEPs.
Increase SME access to key export markets.	<ul style="list-style-type: none"> • Develop a package of UKTI advice and support aimed at promoting export opportunities for the midlands rail sector. • Develop collaborative export initiatives between SMEs and trade bodies to share costs and expertise.

4. Delegate feedback

4.1 Summary information from delegates who completed feedback forms is set out below:

	Poor	OK	Good	Very Good	Excellent
Style of presentation			38%	54%	8%
Session content		11%	41%	44%	4%
Handouts/materials		29%	29%	38%	4%
Practical value		15%	40%	30%	15%
Involvement and engagement			36%	50%	14%
Venue and refreshments			26%	56%	18%

How do you rate the overall quality of the learning experience?

Overall quality		4%	45%	44%	7%
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Are you interested in meeting again?	Number of responders
With LEPS	15
With Businesses	22
With Local Councils	13
With Universities & Colleges	14
With Government	13

5. Next steps

- 5.1 As the Rail Supply Group fully establishes itself, it will be important to ensure that both the DDRF and the Rail Alliance keeps their respective memberships fully up to date with the role out of initiatives and encourage active participation where appropriate.
- 5.2 There is clear support for an integrated sector support initiative which could help small and medium sized rail companies across the Midlands drive growth through innovation. This approach would work best as a joint initiative by the Rail Alliance and DDRF, and itself could be eligible for EU support under the next Structural Fund programme.
- 5.3 The EU Strategic Investment Frameworks prepared by Local Enterprise Partnerships were submitted to Government at the end of January this year. At present, it seems likely that the first call for projects under the 2014-20 EU Structural Fund programme will not be made until the end of 2014 at the earliest. Although not ideal, this delay provides a 'window of opportunity' for the rail sector across the Midlands to develop a collaborative growth and innovation initiative that could have a real strategic impact.

Appendix 1: Event agenda

Fast Track to Growth

EU Funding Opportunities for the Midlands Rail Sector

Breakfast Briefing at the at the Roundhouse, Derby
26th February 2014

- 7.30am Breakfast Rolls & Tea/Coffee
- 8.00am Welcome from Peter Richardson, Chair D2N2 LEP
- 8.10am Chair's Address: Colin Flack, Chief Executive Rail Alliance
- 8.25am The Government Perspective: Rob Whyte, Sales Director, Alstom Transport UK & Ireland, and Rail Supply Group
- 8.40am An Industry Perspective: Derby & Derbyshire Rail Forum & Rail Alliance
- 9.00am Table Discussions
- How can we maximise growth in the rail sector?
 - How can we work together to make it happen?
- 10.00am Rapid Feedback
- One collaborative solution per table
 - Facilitators to produce written feedback for later circulation
- 10.20am Closing comments from the Chair
- 10.30am Tea/Coffee and informal networking
- Officials from BIS/DCLG, MAS, UKTI, ENSCITE and the TSB will be available until 12.00pm for informal discussions with delegates.



Appendix 2: List of registered delegates

Authority/Organisation	Name
Acres Engineering	Luke Parker
Alstom/Rail Sector Supply Chain Forum	Rob Whyte
Aspin Group	Sue Whittall
Aspin Group	David Keating
Automotive Trim Developments Ltd	Martin Sellen
Birley Manufacturing Limited	James Taylor
Birmingham Centre for RRE	Andy Packham
BIS East Midlands & SE Midlands	Rowena Limb
BIS East Midlands & SE Midlands	Maria Lyle
Broxtowe Borough Council	Henri Baptiste
Burton & South Derbyshire College	Sarah Drew
Cabinet Office	John Ambler
CAP Productions	Ken Swan
Coventry University	Dr Alexeis Garcia-Perez
Coventry University	Chris Johnson
D2N2	Peter Richardson
D2N2	Lindsay Allen
DCLG	Peter Thomason
Dellner Limited	David Brookes
Derby City Council	Richard Williams
Derby City Council	Emma Dann
Derby College	Louise Curd
East Midlands Instrument Co Ltd	John Pettit
EEF	Charlotte Horobin
EMC	Andrew Pritchard
EMC	Lois Dale
ENSCITE	Sid Bains
ENSCITE	Andy Luffman
ESG	Martin Horsman

ESG	Paul Forrest
GEW2 Ltd	Jessica Pointing
Great Central Railway	Lili Tabiner
Greater Nottm Joint Planning Adv Board	Cllr Steve Barber
Growth Accelerator	Ross Ryan
I M Kelly Rail Limited	Keith Griffiths
Idom Merebrook	Elena Varillas
Jobson James Insurance Brokers	Kevin Parker
Leicester City Council	Cllr Rory Palmer
Loughborough College	John Harrison
Manufacturing Advisory Service	Stuart Hilton
Manufacturing Advisory Service	David Caddle
Manufacturing Advisory Service	Ian Davie
McGeoch LED Technology	Dr Sohail Amer,
MRX Technologies	Barry Winchurch
Nelsons Solicitors	Michelle Craven-Faulkner
Newark & Sherwood District Council	Andy Norton
North Warwickshire & Hinckley College	Laurel Penrose
Nottingham City Council	Catherine Appleby
Nottinghamshire County Council	Hilary Porter
Nottinghamshire County Council	Jim Bamford
NTU	Chris Lawton
NTU	John Disney
NTU	Will Rossiter
Primasil Silicones Limited	Mark Tomlin
Progress Rail Services UK Ltd	Dave Evans
Qualitrain	Richard Bates
Rail Alliance	Colin Flack
Rail Order Ltd	Lee Walker
Revaluetch Limited	Rod Fox
Rolls Royce plc	Neil Fowkes

Rosehill Polymers Ltd	Peter Anderson
Saddleworth Business Centre	Keith Parker
SET Ltd	Neil Cooney
Signal House Group Ltd	Peter Roberts
SRS Rail System International Ltd	Gethin Thomas
Strutural Fabrications	Suj Kang
Strutural Fabrications	Dave Wilson
Strutural Fabrications	Dr Cham Kang
Swindell & Pearson Ltd	Robert Sales
Syntax Consultancy	Jeremy Gibson
TBAT Innovation Ltd	Matt Simmonds
TEC Concepts Ltd	Keith Hollingworth
Teepee Electrical Limited	Peter Sinnott
TrainFX Limited	Phil Campbell
Transport iNet	John Frodsham
Transport iNet	Georgette Hall
Turnell & Odell Limited	Stuart Fyfe
UK Cables Limited	Chris Harris
UK Trade & Investment	Ian Harrison
UK Trade & Investment	Stewart Bembridge
UK Trade & Investment	Richard Burchell
UK Trade & Investment	Jake Rudham
University of Derby	Andy Dowling
University of Derby	Amanda Baxendale
University of Derby	Andy Dowling
University of Derby	Brian Counter
Wyvern Rail plc	Eric Boulton

Appendix 3

